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December 1, 1944

1944 CORN LOAN BULLETIN

This bulletin contains information with respect to the 1944 corn loan program formulated by Commodity Credit Corporation under which loans will be made available on eligible farm-stored corn of the 1944 crop.

1. Definitions.--(a) Eligible Producer.--An eligible producer shall be any individual, partnership, association, corporation, or other legal entity producing corn in 1944 in areas where farm storage is feasible, as landowner, landlord, or tenant.

(b) Eligible Corn.-- Ear corn, produced in 1944, shall be eligible in all areas where farm storage is feasible except the area in which corn is subject to Angoumois moth infestation, provided:

(1) Such corn is duly tendered as security for a loan during the period December 1, 1944, to May 31, 1945, inclusive.

(2) (a) The beneficial interest to such corn is and always has been in the eligible producer; or

(b) Such corn was purchased by an eligible producer who will operate a different farm in 1945 from that operated in 1944 from another eligible producer, and the number of bushels placed under loan is not in excess of the number of bushels produced by the producer on the farm operated by him as an eligible producer in 1944; and

(3) Such corn is merchantable field corn which grades No. 3 or better (except for moisture content or grading No. 4 on test weight only) as defined in the Official Grain Standards of the United States, and which has a moisture content not in excess of the following:

If tendered from December 1, 1944, to March 31, 1945, both inclusive.....	20.5%
If tendered from April 1, 1945, to April 30, 1945, both inclusive.....	17.5%
If tendered from May 1, 1945, to May 31, 1945, both inclusive.....	15.5%

Ear corn, otherwise eligible, in areas in which corn is subject to Angoumois moth infestation, as designated by the State agricultural conservation committee with the approval of the Regional Director, Agricultural Adjustment Agency, shall be eligible provided it is tendered as security for a loan during the period December 1, 1944, to March 31, 1945, both inclusive.

(c) Storage.--Eligible storage shall consist of cribs which, as determined by the county agricultural conservation committee, are of such substantial and permanent construction as to afford protection against rodents, other animals, thieves, and weather.

(d) Approved Lending Agency.--An approved lending agency is a bank, cooperative marketing association, corporation, partnership, individual, or other business entity with whom Commodity Credit Corporation has entered into a Contract to Purchase (1940 C.C.C. Form E).

(e) Eligible Paper.--For the purpose of the Contract to Purchase (1940 C.C.C. Form E), eligible paper shall consist of producer's notes (C.C.C. Grain Form A, Revised, and C.C.C. Commodity Form A) which have been approved by a member of the county agricultural conservation committee.

2. Amount.--Loans will be made on eligible corn to eligible producers at the county loan rates specified in 1944 C.C.C. Corn Form 1 - Supplement 1. The rate for corn classified as "Mixed Corn", shall be 2 cents less per bushel. A bushel of ear corn shall be 2.5 cubic feet of ear corn testing not more than 15.5 percent in moisture content. An adjustment in the number of bushels of ear corn will be made for moisture content in excess of 15.5 percent in accordance with the following schedule:

Moisture Content Percent	Adjustment Factor	Moisture Content Percent	Adjustment Factor
15.6 to 16.5 Incl.	98%	18.6 to 19.5 Incl.	92%
16.6 to 17.5 "	96%	19.6 to 20.5 "	90%
17.6 to 18.5 "	94%	Above 20.5	no loan

3. Maturity and Interest Rate.--Loans will bear interest at the rate of 3 percent per annum. Loans mature on demand but not later than September 1, 1945.

4. Chattel Mortgages.--Chattel mortgages covering the corn must be executed and filed in accordance with the applicable State law. The corn collateral must be free and clear of all liens except those in favor of the lienholders listed on the chattel mortgage who have executed lien waivers. Where the producer is a tenant, the expiration date of his lease must be shown on the chattel mortgage and the "Consent for Storage" agreement executed if the lease expires before November 1, 1945. Any fraudulent representation made in the execution of the note and mortgage and related forms shall render the producer personally liable for the amount of the loan and shall render him subject to prosecution under the provisions of the U. S. Criminal Code.

5. Delivery of Collateral.--The producer is required to pay off his loan on or before September 1, 1945, or to deliver his collateral within 60 days after maturity date of the loan. In the event the farm is sold, or there is a change in tenancy, or the corn is stored in a designated Angoumois moth area, the collateral may be delivered before September 1, 1945, upon prior approval of the county committee.

6. Insurance.--Commodity Credit Corporation will not require producers to insure their 1944 corn placed under loan. In the event a total loss of collateral occurs from an external cause, except losses caused by conversion, negligence, or vermin, the Commodity Credit Corporation will mark the note paid and return it to the producer. In case of a partial loss, the note will be credited with the loan value, plus interest, of the number of bushels on which

the loss occurred. No loss will be assumed by the Corporation if it is determined that there has been a fraudulent representation on the part of the producer in connection with the loan. The Corporation will assume losses, as provided above, beginning with the date of disbursement of the loan and ending on the date funds for repayment of the note are delivered to a representative of the Corporation, the date such funds are placed in the mail if submitted direct to the Corporation by the producer, or the date title to the corn is acquired by the Corporation, whichever is earlier.

7. Set-offs.--Loans to eligible producers who, as shown by the county AAA office debt register, are indebted to the United States or any agency or Corporation thereof, will not be approved by the county committee unless the producer designates the United States or the agency or corporation thereof to which he is indebted as the payee of the proceeds of the loan to the extent of such indebtedness not to exceed that portion of the proceeds remaining after deduction of the amounts designated as service fees and amounts to be paid to prior lienholders.

8. Producer Responsibility.--The note, mortgage and mortgage supplement govern the responsibility of the producer and should be read carefully. In case the producer delivers the corn collateral in payment of his loan, he is required to deliver a quantity of shelled corn, grading No. 3 or better (except No. 4 on test weight only), equal to the number of bushels upon which the loan was computed. (Producers are responsible for any loss in quantity or quality due to insect infestation or any other reason, except as provided in item 6 above).

9. County Committee Approval.--Each note (C.C.C. Grain Form A, Revised, or C.C.C. Commodity Form A) must be approved by a member of the county committee of the county in which the corn is stored. The date of approval must not be prior to the date of the note, or the date of the chattel mortgage securing the note.

The member of the county agricultural conservation committee signing in the space provided in the producer's note (C.C.C. Grain Form A, Revised, or C.C.C. Commodity Form A) certifies for and on behalf of the county committee that the corn securing the note has been inspected, the class, quality, and quantity of such corn determined, and the storage structures in which such corn is stored has been inspected and sealed in accordance with the requirements of the Commodity Credit Corporation.

10. Source of Loans.--Loans may be obtained from Commodity Credit Corporation or any approved lending agency. Notes representing loans obtained direct from Commodity Credit Corporation should indicate Commodity Credit Corporation as payee and should be mailed to the Chicago office of the Corporation. Notes representing loans obtained through lending agencies should bear the name and address of the lending agency as payee. Substitutions for the note and chattel mortgage forms as provided by Commodity Credit Corporation will not be accepted.

11. Purchase of Loans.--Commodity Credit Corporation will purchase without recourse, eligible paper as defined in section 1(c) hereof, only from lending agencies which have executed and delivered to the Regional Director of Commodity Credit Corporation serving the area a Contract to Purchase (1940 C.C.C. Form E). Notes held by lending agencies may be tendered to Commodity Credit Corporation, Chicago, Illinois, at any time prior to September 1, 1945, but must be tendered for purchase upon request of the Commodity Credit Corporation and in no event later than September 1, 1945. The purchase price to be paid by Commodity Credit Corporation for notes accepted will be the face amount of such notes, plus accrued interest from the respective dates of disbursement to the date of payment of the purchase price at the rate of 1-1/2 percent per annum. Under the terms of the Contract to Purchase, lending agencies are required to report weekly on 1940 C.C.C. Form F all payments or collections on producers' notes held by them, and to remit promptly to Commodity Credit Corporation an amount equivalent to 1-1/2 percent interest per annum on the amount of the principal collected from the date of disbursement on the note to the date of payment. Lending agencies should submit notes and reports to the Regional Director, Commodity Credit Corporation, 208 South La Salle Street, Chicago 4, Illinois.

12. Release of Collateral.--A producer may obtain release of all or part of his collateral by paying to the lending agency or Commodity Credit Corporation, whichever holds the note, the loan value plus accrued interest for the number of bushels released.

Commodity Credit Corporation will purchase notes on which partial releases have been made by lending agencies provided the note is credited by the lending agency for the full amount of the loan on the corn released plus interest at the rate of 3 percent per annum when 1-1/2 percent interest per annum on such principal amount collected has been submitted to the Regional Director of the Chicago office.

County agricultural conservation committees will mark the mortgage "satisfied" on the county records after payment in full has been made by the producer.